

**Opening Statement of the Honorable Fred Upton**  
**Subcommittee on Energy and Power**  
**Hearing on “The Fiscal Year 2015 U.S. Department of Energy Budget”**  
**April 3, 2014**

*(As Prepared for Delivery)*

Secretary Moniz, welcome back to the committee. When I look at DOE’s current energy policies as well as its budget for Fiscal Year 2015, I see an agency that is struggling to keep up with a changing energy landscape. The old assumptions of energy scarcity are still pervasive and it is time for DOE to adapt.

For example, DOE’s ultra-cautious approach to approving LNG exports to non-Free Trade Agreement countries does not reflect our newfound age of energy abundance. Projections from the Energy Information Administration as well as DOE’s own analysis confirm we have more than enough natural gas to meet domestic needs affordably while also supporting export markets. And this surplus situation is likely to last for many decades.

The ramifications of DOE’s sluggish policy on exports can be measured not only in the thousands of unrealized jobs that could be constructing LNG export facilities and producing the extra natural gas for export, but also in the billions in revenues that could be flowing into the country and boosting the overall economy. Geopolitical opportunities are also at risk. The mere signal that the U.S is serious about entering export markets would have an immediate effect on our allies in Eastern Europe who are currently dependent on Russia for natural gas. That is why I and so many others support Cory Gardner’s bill, H.R. 6, “The Domestic Prosperity and Global Freedom Act,” which would help clear the backlog of export applications currently languishing at DOE.

LNG export facilities are just one part of the larger infrastructure picture to make full use of our newfound energy advantage, and H.R. 6 is just one bill that facilitates building this architecture of abundance. We are in the midst of a continued and comprehensive effort to review and update energy laws, many of which were written in a time of Carter era price controls and scarcity. Whether it is legislation to modernize and update transmission and distribution infrastructure, legislation to maintain a diverse electricity portfolio generation with a continued role for coal, nuclear and renewables, or legislation seeking to ensure we have the tools in place to permit a new manufacturing renaissance, we are building a record and exploring opportunities at every level.

I know DOE is beginning a similar effort to look comprehensively at our energy infrastructure and broader strategy through its Quadrennial Energy Review process, and I welcome this broad look. However, I remain highly skeptical of the federal government playing venture capitalist and making other decisions best left to the marketplace. DOE may be talking about the energy breakthroughs of the future, but the agency is still trying to get there with the central planning approaches of the past. In particular, the revival of the loan-guarantee program that backed Solyndra and several other projects that went bust is of serious concern, and will no doubt be a topic for discussion today.

I would like to conclude by reminding DOE of its role in the federal government. Just yesterday, this subcommittee held its EPA budget hearing, and I could not help but notice the extent to which EPA sets the energy policy agenda in this administration, even though that agency has no statutory authority to do so. DOE should be the energy policy-setting body, but it seems as though it has relinquished its duty. In past administrations, both Democratic and Republican, DOE acted as a pro-energy counterweight to an EPA whose tendency was to regulate every btu it encounters. I hope we can restore DOE’s mission to ensure a more balanced approach to energy policy.

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